

CONFIDENTIAL

18 August 1949

The Honorable John J. McCloy  
U. S. High Commissioner for Germany  
Berlin, Germany

Dear Mr. McCloy:

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25X1

On 1 July 1949 EUCOM put into effect a change in the system of payment of salaries to German employees used by American units in Germany. Under the current procedure, each American unit in Germany is allocated a specified annual amount of Deutsche Marks for the purpose of paying these employees. Previously, a specified number of employees had been allotted to the various United States agencies rather than a sum of money.

25X1 The Central Intelligence Agency unit in Germany, the Department  
25X1 of the Army Detachment, is affected by this new ruling as are all  
other units attached to the Army. It is, therefore, respectfully  
requested that you allot to the Department of the Army Detachment,  
from the German reparations account, the sum [REDACTED]  
[REDACTED] per year for the payment of German service personnel. This  
is the annual rate of salaries of German employees necessary to  
maintain our operations at their present level and represents no  
increase in the number of German employees so used.

Unquestionably, conditions in Germany will undergo further changes insofar as the relationship of American units to the German economy is concerned. I should like to ask, however, that the above request be granted and that the Department of the Army Detachment be included in the results of any other changes concerning this relationship between the German economy and the United States Army of occupation.

Since these German employees have been assigned to and have worked with the Central Intelligence Agency unit since the occupation of Germany, in making up the Agency budget for the present fiscal year, we assumed that the same conditions regarding the use of German employees would continue. Consequently, we have no provision in our present budget to carry these people.

I am sorry that I did not get to see you in person during your so very short stay here, but again I want to assure you that the Central Intelligence Agency wishes to do all possible to aid you in every way

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you may desire to carry out the aims of your mission.

With very best wishes, believe me,

Sincerely,

*signed - Dir 8/19*

R. H. Hillenkoetter  
Rear Admiral, USN  
Director of Central  
Intelligence

*via*  
*ADSO*

DCI - Based on ADSO Memo to DCI, 8/10/49, 33228.

Addressee - #1 copy

ADSO #2 & 3

DCI #4